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FEDERAL COMMUNICATIONS COMMISSION
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IN REPLY REFER TO:



November 19, 1997

VIA HAND DELIVERY

Mr. William Canton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

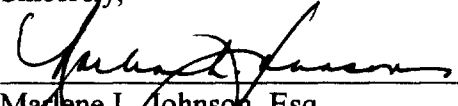
RE: CC Docket Nos. 97-160 and 96-45, State Petitions For
Extension of Time on Forward-Looking Economic Cost Studies

Dear Mr. Canton:

The Public Service Commission of the District of Columbia ("DCPSC") respectfully submits the attached comments in response to the FCC's November 5, 1997 Public Notice regarding the "State Petitions For Extension of Time on Forward-Looking Economic Cost Studies" pleading, CC Docket Nos. 97-160 and 96-45, DA 97-2329.

Should you have any questions, please contact the DCPSC at the above address.

Sincerely,


Marlene L. Johnson, Esq.
Chairperson

cc: Debbie Byrd
Universal Service Branch
Accounting & Audits Division
Common Carrier Bureau
2100 M Street, N.W., 8th Floor
Washington, D.C. 20554

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

State Petitions For Extension of Time on
Forward-Looking Economic Cost Studies

CC DOCKET NO. 97-160

CC DOCKET NO. 96-45

DA 97-2329

**COMMENTS OF THE PUBLIC SERVICE COMMISSION OF THE
DISTRICT OF COLUMBIA REGARDING STATE PETITIONS FOR EXTENSION OF
TIME ON FORWARD-LOOKING ECONOMIC COST STUDIES**

I. INTRODUCTION

On May 8, 1997, the Federal Communications Commission ("FCC") issued a Universal Service Report and Order¹ directing State commissions to elect, by August 15, 1997, the option of conducting their own cost studies to determine federal universal service support in their respective States or allow the FCC to determine the cost of providing universal service using a forward-looking, economic cost methodology. The FCC Order also stated that, if commissions elect to develop their own cost studies, they must submit those cost studies to the FCC on or before February 6, 1998.² By letter dated August 15, 1997, the Public Service Commission of the District of Columbia ("DCPSC") informed the FCC that, because the DCPSC was in the

¹ Federal-State Joint Board on Universal Service, CC Docket No. 96-45, *Report and Order*, FCC 97-157 (rel. May 8, 1997) ("Report and Order").

² Report and Order at ¶ 248.

process of determining permanent rates for interconnection and unbundled elements, it would be premature for the DCPSC to determine whether its universal service cost study would conform to the FCC's criteria. Accordingly, the DCPSC did not elect, at that time, whether to use the FCC's methodology or a District-specific cost study model to calculate the cost of federal universal service support in the District.³

To date, five petitions have been filed with the FCC requesting an extension of time to file cost studies beyond the February 6, 1998 deadline. Three of the five petitioners, the Nebraska Public Service Commission, the Public Service Commission of Nevada, and the Maine Public Utilities Commission, request an extension until May 6, 1998.⁴ The Tennessee Regulatory Authority's petition requests an extension of one hundred twenty (120) days after February 6, 1998,⁵ and the National Association of Regulatory Utility Commissioners' ("NARUC") petition requests a two-part filing process and an extension until September 1, 1998 for States to file complete cost studies.⁶ All five petitioners assert that an extension of time is

³ Letter from Public Service Commission of the District of Columbia, and through counsel, to William Canton, Acting Secretary, Federal Communications Commission (dated August 15, 1997).

⁴ Nebraska Public Service Commission's Request for Extension of Time, CC Docket Nos. 96-45 and 97-160 (filed September 24, 1997); *see also* Public Service Commission of Nevada's Request for Extension of Time, CC Docket Nos. 96-45 and 97-160 (September 26, 1997); *see also* Maine Public Utilities Commission's Motion for Extension of Time for Filing Forward-Looking Economic Cost Studies, CC Docket No. 96-45 (filed October 30, 1997).

⁵ Tennessee Regulatory Authority's Expedited Petition for Extension Regarding Construction of Forward-Looking Economic Cost Study For Universal Service Due February 6, 1998, CC Docket No. 96-45 (filed October 15, 1997).

⁶ National Regulatory Utility Commissioners' Motion for Request for an Extension of Time to File Cost Models, CC Docket Nos. 96-45 and 97-160 (filed October 14, 1997).

necessary due to the complexity of developing a State-specific cost study and the difficulty of completing such a study within the time frame mandated in the FCC Order.

The FCC has requested comments, on or before November 19, 1997, from all interested parties either in support of or in opposition to the aforementioned petitions.⁷

II. COMMENTS

The DCPSC supports the petitions requesting an extension of time in which to file State-specific cost studies with the FCC. The petitioners contend that additional time beyond the deadline is necessary to produce thoroughly developed cost studies and to review the FCC's proposal. However, the petitions request different deadlines. As stated above, three petitioners request a three-month extension (until May 6, 1998), whereas one requests an extension of one hundred twenty (120) days after February 6, 1998 (until June 6, 1998). NARUC requests an extension until September 1, 1998 (i.e., after the FCC cost model is projected to be completed⁸). NARUC further suggest that States be permitted the option of making two-part filings. The first filing would consist of a State's specific model recommended for use as the platform for developing the cost methodology, and the second would consist of the specific input values used by that State, thus permitting States to file completed cost studies in two stages.

In the FCC's May 8, 1997 Order, the FCC itself encourages a State "to the extent possible ... to use its ongoing proceedings to develop permanent unbundled network element prices as a

⁷ States Request Extension of Time for Submission of Forward-Looking Economic Cost Studies, CC Docket No. 97-160 and 96-45, *Public Notice*, DA 97-2329 (rel. November 5, 1997).

⁸ Report and Order at ¶ 245.

basis for its universal service cost study.”⁹ The FCC went on to explain that States should “avoid situations in which, because of different methodologies used for pricing unbundled network elements in determining universal service support, a carrier could receive support for the provision of universal service that differs from the rate it pays to acquire access to the unbundled network elements needed to provide universal service.”¹⁰

In terms of universal service, the DCPSC is following the FCC’s recommended approach. On November 8, 1996, the DCPSC adopted interim rates in arbitration proceedings between Bell Atlantic-Washington, D.C. and other parties.¹¹ The DCPSC is currently considering three cost models submitted by the parties to set permanent rates for interconnection and unbundled elements and anticipates making a decision on the prices for interconnection and unbundled elements in late January 1998, at the earliest.¹² The DCPSC’s findings with regard to those prices may assist in its determination of universal service costs. Accordingly, the DCPSC will not be able to complete the development of a District-specific universal service cost study by the February 6, 1998 deadline.

The DCPSC thus agrees with all petitioners that an extension of time is necessary. Specifically, the DCPSC supports NARUC’s request that States be allowed until September 1, 1998 to file their cost studies in a two-part process, or, if the FCC’s cost study is not released

⁹ Id. at ¶ 251.

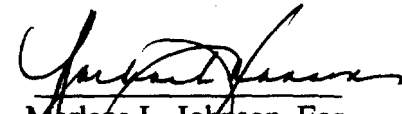
¹⁰ Id.

¹¹ TAC6, Order No. 5 (November 8, 1996).

¹² Furthermore, Section 4 of the District of Columbia Telecommunications Competition Act of 1996 requires the DCPSC to establish a universal service program in the District. *See* D.C. Code Ann. § 43-1453 (1997 Supp.).

until late August 1998, the DCPSC recommends that the FCC adopt a deadline that allows States sufficient time to review the FCC's cost study.

Respectfully submitted:

By: 
Marlene L. Johnson, Esq.
Chairperson

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Dated: November 19, 1997